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Chauffeured Limo Joins Three-Martini Lunch

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WASHINGTON, Jan. 28 — It hasn't made a noticeable dent in the rush-hour traffic or the Federal budget deficit, but it has made a considerable difference in the daily routines of many second-level Government officials. And it may mean a bite pretty soon in the paychecks of some top officials.

More than 150 officials who once commuted in chauffeur-driven limousines must get to work this year on their own, and the two dozen or so Cabinet members, Congressional leaders and others of high rank who still have the privilege of cars and drivers to take them to and from work will, under a new interpretation of the tax law, now have to pay hundreds of dollars in additional Federal income taxes.

The limousine question has been a hot topic of discussion in the various departments and agencies. The tax question, however, is something else. Calls to disbursing officers in Congress and several departments did not turn up a soul who realized that new tax regulations will treat officials with Government cars the same as business executives with company cars. The Internal Revenue Service insists it is so. That means cars used for commuting are considered a taxable fringe, and the officials will have to pay taxes on part of their value.

Senator William Proxmire, ever vigilant on matters concerning the perquisites of Government officials, discovered several years ago that a 1946 law specified that only the President, Cabinet members, certain diplomats and people such as doctors on all-night duty could have the use of Government cars to go home at night and to the office in the morning. Others who commute in Government

cars, the law states, "shall be suspended from duty without compensation for not less than one month and shall be suspended for a longer period or summarily removed from office if circumstances warrant."

Another law gives car-and-driver privileges to the Vice President, the Speaker of the House and the majority and minority leaders of the Senate and the House.

Senator Proxmire, who jogs to work and back every day, began questioning the Comptroller General about how it was that dozens of assistant secretaries and the like were getting free rides. Finally, in 1983, the Comptroller, Charles A. Bowsher, who usually takes the subway, announced that the law would be enforced beginning in 1985.

Last year, heeding pleas of national security, Congress approved special exceptions for the Director and deputy director of Central Intelligence, the Deputy Secretary of Defense, the two Under Secretaries of Defense, the Secretaries of the Army, Navy and Air Force and the Joint Chiefs of Staff.

Some Have Lost Their Cars

According to Senator Proxmire's office, most departments and agencies seem to be abiding by the Comptroller's directive. A check around town showed that such officers as the Social Security Administrator had lost their cars.

A Commerce Department official complained last week that because he must now drive himself, he can no longer do paperwork on the way to and from the office.

One person not mentioned in the law who still has a car and driver is David A. Stockman, the director of the Office of Management and Budget. His spokesman, Edwin L. Dale Jr., said Mr. Stockman had obtained a ruling from his agency's general counsel that he was entitled to it. An aide to the Comptroller General said that because Mr. Stockman "has Cabinet rank even though he is not a Cabinet member," Mr. Stockman might be on safe ground. When the 1946 law was enacted, there was no such thing as the Office of Management and Budget.

Some Areas in the Dark

Mr. Dale said that as far as he knew Mr. Stockman was unaware of the tax implications. The budget director is not the only one.

Stuart F. Balderson, the Senate financial clerk, who is responsible for handling the paychecks of the Senate leaders, said he did not know the law required him to withhold taxes based on the value of the use of the cars. Charles A. Mallon, the deputy sergeant at arms of the House, said he did not know of the law either.

A Pentagon spokesman, James Turner, said, "As far as we're concerned, the rule is not in effect, and until the rule goes into effect, we're not taking any action."

The revenue service has not ruled on how much this will cost the officials in extra taxes. It is not clear, for example, whether part of the chauffeurs' salaries as well as the lease value of the cars would be counted as income to the officials.

But business executives with similar perks must pay taxes as if they had at least \$4 additional on each working day, or about \$1,000 a year. Some executives, depending on the circumstances, owe much more. Top Government officials are probably in the 50 percent tax bracket, or close to it, so it looks as if they will owe at least \$500 more a year on their tax returns, and maybe more.

Under tax rules, the money can be withheld quarterly, rather than each time the officials are paid. Apparently no one is having the perk money withheld from a salary now, but come the end of March, it might be worth the officials' while to take a close look at their paychecks.